

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO. 2980-10
BILL NO. SCS for HS for HCS for HB 1254
SUBJECT: Bonds - Bail; Crimes and Punishment
TYPE: Original
DATE: May 8, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Insurance Dedicated Fund	\$15,653	\$15,638	\$14,770
General Revenue	less than (\$100,000)	less than (\$100,000)	less than (\$100,000)
Total Estimated Net Effect on <u>All</u> State Funds	(\$84,347) to \$15,653	(\$84,362) to \$15,638	(\$85,230) to \$14,770

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses
This fiscal note contains 5 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Department of Insurance (INS)** stated that their department would have additional revenue and expenses associated with licensing Recovery Agents. The INS currently licenses approximately 90 General Bail Bond Agents and 700 Bail Bond Agents.

It is estimated there would be 250 Recovery Agents. The fees are set to cover the costs of licensing Recovery Agents and have been estimated at \$350, with renewal fees set at \$250. This would result in \$87,500 additional revenue the first year. In addition, INS would incur contract computer programming costs of \$24,000 to revise the existing MIDS system for Recovery Agents and training courses.

INS officials assume they would request two (2) Insurance Licensing Technician IIs (2 FTE at \$23,472 per year) to implement this proposal. The Insurance Licensing Technician II's would have the responsibility to review and process original applications and annual renewal applications for Recovery Agents. This process is not currently automated and requires manual review of forms and fees for accuracy and completeness. The second Technician would review training course curriculum to approve courses for the INS. There would be numerous courses and providers in constitutional law, legal proceedings, weapons, defensive tactics, first aid, etc., which would require ongoing review and/or approval.

INS officials stated that their department currently licenses approximately 800 bail bond agents. **Oversight** assumes that INS would be adding additional licensees to an existing licensure process and assumes INS could implement this proposal with one (1) Insurance Licensing Technician II. If the workload should increase significantly, INS could request additional resources through the budgetary process. **Oversight** has also adjusted fees to \$300 for initial licensure and \$200 for renewal, to more closely correspond with adjusted expenses for one FTE. Such fee adjustments would result in \$75,000 additional revenue the first year.

Officials from the **Office of the Secretary of State (SOS)** assume the proposed legislation would require the printing of additional pages in the *Missouri Register* and the *Code of State Regulations* and have estimated a publishing cost of \$3,494.50 for FY 01. Additionally, future costs are unknown and depends upon the frequency and length of rules filed, amended, rescinded or withdrawn.

While this bill alone would not require SOS to acquire additional staff, SOS assumes the cumulative effect of other bills that require rulemaking may, in the aggregate, necessitate additional staff.

ASSUMPTION (continued)

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriations process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **Office of State Courts Administrator (CTS)** assume the proposal could have an impact on the number of civil and criminal trials, depending upon how it is implemented. If there is a significant increase in the number of cases going to trial, there would be a corresponding increase in state and local costs for the judiciary.

Officials from the **Office of the Attorney General (AGO)** assume that costs of handling any licensing matters could be absorbed with current resources.

Officials from the **Office of State Public Defender (SPD)** assume that existing staff could provide representation for those 20-40 cases arising where indigent persons were charged with the new crimes of being a Bail Bondsman without a license or for acting as Surety Recovery Agent without a license. However, passage of more than one similar bill would require the SPD to request increased appropriations to cover the cumulative cost of representing the indigent accused in the additional cases.

Officials from the **Department of Revenue (DOR), Office of Prosecution Services (OPS), Department of Public Safety - Missouri State Highway Patrol (MHP)** and the **Department of Public Safety (DPS)** assume this proposal would have either minimal or no fiscal impact on their agencies.

Officials from the **Department of Corrections (DOC)** stated that they could not predict the number of new commitments which could result from the creation of the offense(s) outlined in this proposal. An increase in commitments would depend on the utilization by prosecutors and the actual sentences imposed by the court. If additional persons were sentenced to the custody of the DOC due to the provisions of this legislation, the DOC would incur a corresponding increase in operational costs either through incarceration (average \$35.61 per inmate, per day) or through supervision provided by the Board of Probation and Parole (average of \$2.47 per offender, per day). Supervision by the DOC through probation or incarceration would result in some additional costs, but DOC officials assume that the impact would be \$0 or a minimal amount that could be absorbed with existing resources. **Oversight** assumes this proposal would have

ASSUMPTION (continued)

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minimal impact on the prison or probation populations. The exact cost cannot be determined, but is expected to be less than \$100,000 annually.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
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INSURANCE DEDICATED FUND

Income - Department of Insurance (INS)

License Fees/Renewals	\$75,000	\$50,000	\$50,000
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Costs - INS

Personal Service (1 FTE)	(\$20,049)	(\$24,660)	(\$25,276)
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Fringe Benefits	(6,165)	(7,583)	(7,772)
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Expense and Equipment	(33,133)	(2,119)	(2,182)
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Total <u>Cost</u> - INS	(\$59,347)	(\$34,362)	(\$35,230)
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**ESTIMATED NET EFFECT TO
INSURANCE DEDICATED FUND**

<u>\$15,653</u>	<u>\$15,638</u>	<u>\$14,770</u>
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GENERAL REVENUE FUND

<u>Costs- Department of Corrections (DOC)</u>	less than (\$100,000)	less than (\$100,000)	less than (\$100,000)
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**ESTIMATED NET EFFECT
ON GENERAL REVENUE FUND**

less than (\$100,000)	less than (\$100,000)	less than (\$100,000)
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<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
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0	0	0
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FISCAL IMPACT - Small Business

Bail fugitive recovery agent companies which are small businesses would be impacted by training, licensing fees, and additional bonding requirements outlined in this proposal.

MLW:LR:OD:005 (9-94)

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DESCRIPTION

This proposal would make changes to the regulation of bail bond agents and general bail bond agents. In addition, it would provide for licensing and regulation of surety recovery agents within the Department of Insurance.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space

This proposal would affect Total State Revenues.

SOURCES OF INFORMATION

Department of Insurance
Office of the Secretary of State
Office of State Courts Administrator
Office of the Attorney General
Office of State Public Defender
Department of Revenue
Office of Prosecution Services
Department of Public Safety - Missouri State Highway Patrol
Department of Public Safety
Department of Corrections



Jeanne Jarrett, CPA
Director
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